



# **Governor Rauner announces Medicaid managed care reboot**

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*Goal of program is to offer enhanced care at sustainable costs, cover more beneficiaries, strengthen quality control and improve coordination of services*

CHICAGO – Governor Bruce Rauner, joined by Illinois Healthcare and Family Services Director Felicia Norwood and Illinois Department of Children and Family Services

Director George Sheldon, today announced Illinois is taking steps to transform its Medicaid managed care program to improve healthcare delivery for more than two million people while ensuring sustainable costs.

“Transforming Illinois’ health and human services allows us to deliver better care to our most vulnerable residents more efficiently,” Governor Rauner said. “The steps we are taking will allow us to improve the way we offer Medicaid services, fulfilling our promise to care for millions of Illinois residents, while better serving taxpayers.”

Under the bid, the new program calls for more than 80 percent of Medicaid beneficiaries to receive services through managed care, up from 65 percent today. It also extends managed care to every county in Illinois and to children under the care of the Department of Children and Family Services. Vigorous guidelines will be included to enhance care coordination, quality measures and patient access. The new program is scheduled to become effective January 1, 2018.

“Managed care can be a great positive for those receiving services and for the taxpayers,” said Felicia Norwood, Director of Illinois Department of Healthcare and Family Services. “To truly succeed, there must be a greater focus on the beneficiaries that encourages and rewards innovation, outcomes and excellence.”

The Illinois Department of Healthcare and Family Services and the Administration have determined that the program can be significantly strengthened in a competitive bidding process. With this transformation, Medicaid managed care in Illinois will focus more than ever on paying for value rather than volume. It will be encouraging prevention and offering services that are evidence-based and data-driven.

“We have put a lot of thought into how we can better serve our children, and this new managed care approach will do that,” says Illinois DCFS Director George H. Sheldon. “Child welfare is in the midst of real change to improve the lives of every child in our care. Medicaid Managed Care 2.0 will offer a wider array of health services to help our youth overcome the trauma from the adverse experiences in their lives. By investing in the right treatments early on, we will improve their wellbeing and reduce health care costs later on.”

The reboot is a key step in the Health and Human Services Transformation the Governor announced last year, as well as the goals of the state’s recent federal Medicaid waiver application.

Illinois began transitioning Medicaid beneficiaries to managed care in 2011, and the General Assembly required that at least 50 percent of recipients be participating by 2015. Today, approximately two million of the state's 3.1 million Medicaid members are served by managed care plans.

The current program includes a large number of health plans, which complicates the ability of providers to participate. More effective procedures and guidelines will bring efficiencies to the program. Providers and plans have withdrawn from the program in recent months; leading to several counties in central Illinois without any managed care options.

The state will accept bids from managed care companies this summer and award up to seven contracts. Among some highlights of the new approach:

- Streamlines procedures to better serve the needs of patients and providers
- Establishes vital guidelines for better care coordination, quality measures and access
- Emphasizes prevention and managing chronic illnesses to reduce costly and dangerous complications
- Extends managed care to all 102 Illinois counties. (The current program was created to serve only 30 counties.)
- Helps to realize the broad vision of the state's 1115 federal waiver application submitted last year to better integrate physical and behavioral health.
- Provides managed care to DCFS children, as well as those eligible for Supplemental Security Income, to improve their access and care coordination

To view the RFP, visit <https://www.illinois.gov/hfs/info/MedicaidManagedCareRFP>

*Video will be posted [here](#).*